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C O N F I D E N T I A L SECTION 01 OF 03 DILI 000204

STPDTS

SIPDIS TOKYO FOR HANS KLEMM DEPT FOR EAP/MTS, EUR/WE, INR/EAP

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SUBJECT: MANAGING PORTUGESE AND LUSOPHONE INTERESTS IN EAST TIMOR

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CLASSIFIED BY: Eleanor Nagy, Charge d'Affaires ad interim, Exec, State.
REASON: 1.4 (b), (d)

11. (C/NF) Summary: As the international community grapples with how best to assist East Timor in re-establishing security, strengthening the public sector, and stimulating economic growth, one of the most delicate issues confronting the major players is how to manage Portuguese, Brazilian and other Lusophone bilateral interests which do not always advance the country's overall development goals. The Portuguese and country's overall development goals. Lusophone cultural and linguistic agenda sometimes supersedes the commitment to push the Timorese toward good governance, open economic policies, and justice. Moreover, in key sectors, particularly justice and education, their narrow focus actually creates deep-rooted problems. At the same time, Portugal as leader of the Lusophone pack has been supportive in areas such as support for free and fair elections, policing, and agreeing to a green helmet force in the UNSC Core Group at the United Nations. Portugal has unique access to and influence on the political elite here, and its expertise and support can provide some real insights as well as strengthen U.S. ability to achieve its objectives, particularly during its upcoming EU Presidency. The keys to successfully managing these issues are to increase consultations and cooperation, work issues in Washington and the capitals, engage the UN, and assist the GOET to informally promote use of the English language. In the justice sector, we should push for a loosening of Portuguese language requirements and greater accountability for UNDP line officials. End summary.

Intermarriage, Language, and the Diaspora

¶2. (U) Portugal's history with Timor spans centuries. During the colonial period, Portugal promoted its language as a lingua franca and the Timorese elite were educated in Portuguese at the best local schools. Intermarriage between Portuguese and Timorese was common, and today, many Timorese, particularly

those in the elite, can trace some portion of their ancestry to Portugal.

- 13. (SBU) During the Indonesian occupation era, many Timorese used Portuguese to communicate with each other in the jungle. Others fled during this period and took up residence in Portugal, Mozambique, or Angola. Individuals in the group known as the Maputo clique of the Fretilin party became part of these Lusophone societies and subsequently held key government and party positions during Timor's initial years of independence. Among them are Mari Alkatiri, former Prime Minister and the party's secretary general; Ana Pessoa, Minister for State Administration who previously served as a judge in Mozambique; Rogerio Lobato, the former Minister of Interior recently convicted for his role in distributing arms to civilians in 2006 who spent several years in an Angolan prison on a diamond smuggling conviction; and Roque Rodrigues, the ousted Minister of Defense who was a student and military officer in Portugal and Lobato's instructor on Marxist theory during the latter's Angolan prison term.
- 14. (SBU) The Timorese diaspora in Portugal is visible. When Timor voted for independence in 1999, numerous Portuguese nationals joined the Timorese diaspora in Lisbon in supporting independence and a UN intervention to stabilize the new country in the wake of retaliatory violence by the Indonesian military and like-minded militias. Eight years later, Portuguese citizens tell us they still identify with Timor for reasons ranging from guilt for Portugal's abandonment of its colonies in 1974, to pride in sustaining the global reach of their former empire.

Aid, Influence and Trade

15. (C/NF) GOP assistance to East Timor capitalizes on these DILI 00000204 002.2 OF 003

cultural and linguistic ties. Portugal is one of the four largest bilateral donors to East Timor, along with Australia, the U.S., and Japan. The biggest component of Portuguese assistance is a corps of scores of Portuguese language instructors working to help Timorese primary and secondary school teachers give instruction in Portuguese. Criticism of the program's objectives and effectiveness is widespread among other donors, with the exception of Brazil. Brazilian cooperation programs, including in vocational training and language teaching, complement Portuguese assistance activities in Timor. As Portugal assumes the presidency of the European Union this summer it will modestly increase cultural exchange activities in Timor. These activities include book fairs, performing artists and speakers, and film festivals. The GOP, according to Portuguese diplomats, is in this for the long haul and they are willing to spend more than a decade reintroducing the Portuguese language in Timor. If successful, the end state would be a Timorese society even more closely tied with Portugal and its former empire.

16. (C/NF) East Timor's choice of Portuguese as one of its official languages is both a source for jobs for Lusophones and a means of influencing key sectors of Timorese government and society. In the justice sector, the UNDP's justice assistance program funds 42 advisors who serve as judges, prosecutors, clerks, and other staff in East Timor's courts. The job qualifications listed by UNDP at the behest of the GOET include requirements that the applicants speak Portuguese and possess a civil law background, effectively eliminating almost all candidates except those from CPLP (Community of Portuguese Speaking Countries) countries. Similar language requirements play a role to a greater or lesser degree in almost every GOET agency and in many UN agencies in Timor. Top-level government jobs and international advisor slots are overwhelmingly filled by Portuguese-speaking Timorese (often with dual nationality) or by CPLP citizens (many from Portugal or Brazil). Until recently Claudio Ximenes, Chief Justice of Timor's highest court, was a

UNDP contractor. A Portuguese national of Timorese ethnicity, Ximenes once served as a judge in Portugal. Portugal also has key inroads into the East Timorese Defense Force (F-FDTL) as a result of permanently assigned advisors and visiting trainers.

¶7. (C/NF) There are also tangible commercial benefits of the relationship for Portugal. Portugal Telecom is the majority stakeholder in Timor Telecom, which in 2002 was granted a 15 year monopoly on fixed, mobile, and internet services in Timor. The resulting lack of competition in the telecommunications sector keeps prices high and reception quality low. Similarly, East Timor's parastatal power company EDTL is managed by Portuguese nationals, and is also plagued by corruption and high prices. On a smaller scale, many Portuguese nationals live and do business in Timor in fields including real estate, hostelry, restaurants, import-export, and contracting, competing with Australian and some Indonesian firms.

Military and Police Training

- 18. (C/NF) Other donors --- principally the U.S., Australia, and New Zealand --- find the Portuguese influence within F-FDTL problematic. The Portuguese military operates beyond the scope of doctrine shared by the other donors, as well as F-FDTL's other potential regional defense partners such as Singapore, Malaysia, Thailand, the Philippines and Indonesia. And while the English language is rapidly becoming the defense lingua franca throughout Southeast Asia, the Portuguese military with the backing of Fretilin's Maputo clique and its supporters continues to provide language instruction and military training to F-FDTL in Portuguese.
- 19. (C/NF) Portugal currently has two companies of special police (GNR) assigned to Timor as part of the UN Police (UNPOL). The GOP police training efforts, which began two years ago, are focused on building capacity of the Timorese Police (PNTL)'s rapid intervention unit (UIR). Portuguese diplomats recently told us that due to budget constraints there are no immediate

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plans to expand their presence in UNPOL or increase police training activities.

Policy Implications

- ¶10. (C/NF) The U.S. must seek ways to engage Portugal and leverage its influence in East Timor in support of our common goals, as well as continue to separately pursue our objectives where our interests do not intersect.
- -- On core issues of concern, such as the promotion of free and fair elections and security sector reform, we should seek to engage with Portugal more closely, identifying specific issues and concrete requests for cooperation and then consulting in Dili, Washington and the capitals. We should also engage the UN in support of these positions.
- -- Justice sector reform is a top priority for the USG and the UN. However, as long as East Timor and donors such as UNDP continue to require Portuguese language as a qualification for its international advisors regardless of their professional competence, the USG ability to contribute and promote reform in the sector will be limited. We should push for a loosening of Portuguese language requirements, seek greater oversight and accountability for UNDP line officials, and continue to support bilateral assistance to the GOET in areas where we can be effective, such as The Asia Foundation's strengthening of informal dispute resolution mechanisms and USAID's work to strengthen the administrative capacity of the justice sector.
- -- East Timor's education system is still in shambles, with the requirement that classes be conducted in Portuguese exacerbating

the problem. Because the middle generation was educated in and only speaks Indonesian, most teachers spend substantial time learning Portuguese instead of teaching students. Other donors (except Brazil) have been unable to identify meaningful ways to engage in this sector under these conditions. We should work with the GOET, Australia, New Zealand and other like-minded donors on ways to promote the English language, particularly for post-Independence youth who have no memory of either Portuguese or Indonesian, such as supporting business English, getting computers into schools, and facilitating foreign study in English-speaking countries.

Comment

111. (C/NF) Comment: The Portuguese and other Lusophones will continue to pursue their cultural and commercial agenda here, but we can and should seek ways to direct their efforts in support of larger security and democratic institution building goals, as well as pursue separate means to achieve those ends. While the Lusophones have supported Fretilin's Maputo clique as their best ally in promoting the Portuguese language and in obtaining positions of influence for pro-Portuguese individuals, Fretilin's influence is waning. President Jose Ramos-Horta, PM candidate Xanana Gusmao, most of the political opposition, and the anti-Alkatiri group within Fretilin are all less supportive of imposing Portuguese. Should they prevail in the June 30 parliamentary elections, there may be new opportunities to revisit the choice to rely solely on the Portuguese language for education and the judiciary, as well as encourage Ramos-Horta to act on his stated desire to open up the telecom monopoly. NAGY